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**Cuban Civil Society Support Program
(CCSSP)**

Contract Number DOT-I-00-03-00009-00

Monthly Report

September 2011

Submitted October 5, 2011

1. Country Situation Update

Economic Reforms

The anticipated regulations on self-employment came into effect on September 10, 2011. Announced in the Official Gazette of the Ministry of Justice, new decrees establish rules to extend legal private business activities. These new decrees allow for self-employed street vendors and private vendors to sell agricultural products which, prior to the reforms, only State entities were allowed to transact. These new regulations further address social security, taxation levels for various types of businesses, labor and hiring, private car sales, and housing rental, among others. Contention over prohibitively high taxes is being addressed. For example, self-employed workers will be able to make social security contributions over 10 years, rather than the previously set 2 year period; self-employed women over the age of 60 and men over 65 will be exempt from paying special social security taxes; and, small business owners will be exempt from payment obligations for the first five employees hired. Other regulations such as allowing average Cuban citizens to purchase post-1959 cars, and a reduction in the minimum monthly tax for renting rooms have taken effect.

Despite these highly visible changes, the Cuban government continues to centralize control over other aspects of society. Under Decree Law No. 286, control of the previously semi-autonomous Social Attention and Prevention Commissions (*Comisiones de Prevención y Atención Social*) and the Social Workers Program (*Programa de Trabajadores Sociales*) will be mandated by the Ministry of Labor and Social Security. These programs were created by Fidel Castro in 2005 as a means to combat theft and corruption at the local level, and operated with a relative degree of autonomy over activities and resources. Under the new law, the Ministry of Labor and Social Security will have full control over the programs' human, material and financial resources.

U.S. – Cuba Relations

Relations between the U.S. and Cuba continue to decline following former Governor of New Mexico, Bill Richardson's failed visit to the island to free U.S. contractor / . Richardson, who had maintained cordial relations with the Cuban government, was invited to Cuba to discuss case. During his visit, Richardson was denied access to seeing without explanation from the authorities. Following the visit, Richardson stated: "My sense is, there are some elements in their government that don't want to improve relations with the U.S.," and said there appeared to be disagreements within the Regime on how to manage case.

The Cuban government continues to link the imprisonment of Gross to the "Cuban Five," arrested in 1998. In a September 12, 2011 speech at the University of Havana, Ricardo Alarcon, President of the Cuban National Assembly called on President Obama to release the five Cuban agents, stating that he "had nothing to do (with the agents' arrest and conviction), but he has the power to release them." The repeated references to the Cuban Five during speeches and interviews by Foreign Minister Bruno Rodriguez during his visit to the United Nations indicate the kind of reciprocal action Cuba would expect in exchange for releasing Gross on humanitarian grounds. Anonymous political and diplomatic sources have not ruled out the possibility of a prisoner exchange, while the Cuban government maintains that legal case must run its course before reconsidering his future.

In a roundtable discussion with Spanish-language journalists, President Obama compared Cuba's situation with the Arab Spring, highlighting the fall of authoritarian regimes to citizen demands for

greater democracy in the Middle East, and stating, "Throughout Latin America, democracies have emerged from previously authoritarian regimes. The time has come for the same thing to happen in Cuba." Obama said later in the event that the U.S. would be prepared to change policies toward Cuba if and when "a genuine spirit of transformation inside of Cuba that would justify us eliminating the embargo." These changes would have to include the release of political prisoners, basic human rights for Cuban citizens, and economic liberalization beyond limited reforms seen thus far. Former President Fidel Castro attacked both Obama's comments at the roundtable event and his speech at the UN General Assembly. He wrote in his "Reflections" column: "Who understands this gibberish of the President of the United States in front of the General Assembly?" and criticized Obama's "misrepresentations of the UN," U.S. involvement in Iraq and Afghanistan, U.S. policy concerning Israel and Palestine, and the Arab Spring uprisings.

2. Programmatic Highlights and Major Activities

Programmatic Activities:

Key Programmatic Accomplishments:

- *Sector CP - This innovative sector seeks to counter apathy and stimulate civic engagement by supporting media projects that communicate positive, unbiased messages through different aspects of everyday life and humor. In previous activities under this sector, the CCSSP created a variety of media products and was able to shape the social content of the items produced to promote civic analysis and a sense of duty for the targeted audience.*
 - [SJO076]: The close out phase for this initiative started in September. The CREA team is holding strategic planning sessions with the grantee to develop follow on initiatives.
 - [SJO079]: CREA and the grantee conducted an evaluation of this initiative and defined a scope of work for a follow-on activity. Administrative closeout activities were completed in September.
 - [SJO083]: The grantee is working to prepare a final report and submit final deliverables. The close out process will be completed upon receipt of the final report.
 - [SJO084]: A strategic meeting was held with the grantees to test the platform, design the public release campaign and field work plan. CREA is working on a follow-on activity to start in October.
 - [SJO092] The final report was received from the grantee. This grant is in the administrative close out process.
- *Sector CP (2) - This sector has exponentially exceeded expectations, and has demonstrated a true desire for freedom of expression and a need for increased networking capacity on the island. Therefore, the CCSSP has allocated significant resources toward achieving further success in this sector.*
 - [SJO087]: The grantee has submitted final reports and the final evaluation is under review.
 - [SJO093]: The grantee has submitted final reports and the final evaluation is under review.
 - [SJO094]: The grantee met with OTI and CREA staff for strategic coordination on activities and to develop plans for a follow on grant beginning early October.

- **Sector US** – In this sector, CCSSP explored the reality of this population group and discovered significant potential for civic initiatives. With Latin American NGOs whose experience and characteristics are similar to the target population, civic activities are conducted to influence independent action.
 - [SJO075]: The grantee is preparing its final report for submission in early October. Final payments are being made and this initiative is in the close out process.
- **Other Activities**
 - [SJO078]: CREA is working to finalize activity closeout, including completion of the final reports, final payments and planning for follow-on activities.
 - [SJO082]: The grantee received required travel authorization and the grant has been extended to allow for full implementation of the originally planned activities.
 - [SJO085]: The grantee is preparing the final report and final payment submission.
 - [SJO089]: This grant was canceled in September, and the grantee has been notified.
 - [SJO090]: This grant is a complement to the initiative under SJO082. The grantee received required travel authorization and the grant has been extended to allow for full implementation of the originally planned activities.
 - [SJO091]: This grant was canceled in September, and the grantee has been notified.

Program Operations

- Grants cleared to date: **92** (7 in process, 8 completed, 65 closed, 7 cancelled, 5 rejected after clearance)

Status Count				
Pending	Cleared	Completed	Closed	Cancelled / Rejected
0	7	8	65	7/ 10* *5 had been cleared

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CLEARED		
1	SJO075	\$69,655.00
2	SJO082	\$185,409.00
3	SJO083	\$35,491.00
4	SJO084	\$91,254.00
5	SJO085	\$42,903.00
6	SJO090	\$39,710.00
7	SJO094	\$144,922.00
Subtotal:		\$609,344.00

COMPLETED		
1	SJO061	\$26,671.00
2	SJO068	\$75,665.00
3	SJO070	\$28,325.00
4	SJO072	\$231,558.00
5	SJO077	\$174,196.00
6	SJO080	\$5,766.00
7	SJO081	\$11,540.00
8	SJO086	\$13,657.00
Subtotal:		\$519,565.00

CLOSED		
1	SJO001	\$95,420.00
2	SJO003	\$17,157.00
3	SJO006	\$81,421.00
4	SJO007	\$123,098.00
5	SJO008	\$34,332.00
6	SJO009	\$24,256.00
7	SJO010	\$30,359.00
8	SJO011	\$19,601.00
9	SJO012	\$14,204.00
10	SJO014	\$47,453.00
11	SJO015	\$7,328.00
12	SJO016	\$72,709.00
13	SJO017	\$2,345.00
14	SJO018	\$12,759.00
15	SJO019	\$89,059.00
16	SJO020	\$11,430.00

CLOSED		
17	SJO022	\$72,098.00
18	SJO024	\$12,784.00
19	SJO025	\$86,994.00
20	SJO026	\$4,655.00
21	SJO027	\$4,743.00
22	SJO028	\$63,655.00
23	SJO029	\$57,625.00
24	SJO030	\$17,830.00
25	SJO031	\$5,876.00
26	SJO032	\$78,769.00
27	SJO033	\$74,390.00
28	SJO034	\$65,522.00
29	SJO035	\$19,429.00
30	SJO036	\$14,525.00
31	SJO037	\$36,210.00
32	SJO038	\$99,163.00
33	SJO039	\$38,510.00
34	SJO040	\$141,427.00
35	SJO041	\$4,947.00
36	SJO042	\$21,551.00
37	SJO044	\$86,900.00
38	SJO046	\$21,940.00
39	SJO047	\$29,152.00
40	SJO048	\$4,542.00
41	SJO049	\$89,900.00
42	SJO050	\$129,050.00
43	SJO052	\$53,161.00
44	SJO053	\$12,248.00
45	SJO054	\$30,309.00
46	SJO055	\$55,503.00
47	SJO056	\$69,091.00
48	SJO057	\$4,538.00
49	SJO058	\$125,571.00
50	SJO062	\$54,802.00
51	SJO063	\$8,819.00
52	SJO064	\$4,284.00
53	SJO065	\$25,886.00
54	SJO066	\$17,316.00

CLOSED		
55	SJO067	\$86,732.00
56	SJO069	\$19,149.00
57	SJO070	\$28,838.00
58	SJO071	\$55,674.00
59	SJO072	\$213,130.00
60	SJO073	\$24,155.00
61	SJO074	\$36,328.00
62	SJO077	\$176,206.00
63	SJO080	\$6,918.00
64	SJO081	\$12,245.00
65	SJO086	\$11,225.00
Subtotal:		\$3,097,246.00

CANCELLED		
1	SJO013	\$9,825.00
2	SJO043	\$5,687.00
3	SJO045	\$16,707.00
4	SJO059	\$3,325.00
5	SJO088	\$14,808.00
6	SJO089	\$17,654.00
7	SJO091	\$3,929.00
Subtotal:		\$71,935.00

REJECTED		
1	iSJO001	
2	iSJO010	
3	iSJO011	
4	SJO002	Rejected After Clearance
5	SJO004	
6	SJO005	
7	SJO021	
8	SJO023	Never Approved
9	SJO051	
10	SJO060	

Administration and Operations

- Extension: On September 16, 2011, the CCSSP received a cost extension through June 30, 2012 and an obligation of \$2,000,000. Systems and procedures have been updated to reflect this information, and activities are being developed in accordance with to the project pipeline approved by OTI.
- Activity Database (ADa): CREA staff continues to update the Activity Database with information from the field. In addition, the DC-based team is working closely with the Implementation team in the field to ensure weekly tracking of grant expenditures and maintain adequate grant / operations funds control.
- Procurement: All procurement has been completed for all cleared grants.
- Finance: All financial transactions continue to be managed from Washington, D.C. The HQ team will be supported by a finance assistant in the field who will work closely with grantees to ensure timely grant implementation.
- Human Resources: Contract extensions have been developed for program consultants through the end of the project. A field finance assistant, and part-time program assistant will support the team starting in October.

3. Budget Information

CLIN	Description	Total	Obligated	Disbursed August 2011	Cumulative Amount
001	Operations	\$ 4,887,599	\$ 5,144,310	\$ 80,932.50	\$4,317,594.49
002	Fixed Fee Operations	\$ 244,380	\$ 244,380	\$ 4,046.62	\$215,979.47
003	Grants	\$ 10,486,156	\$ 5,668,609	\$ 140,581.65	\$3,982,116.37
004	Fixed Fee on Grants	\$ 204,000	\$ 113,372	\$ 2,811.63	\$79,644.62
	TOTAL	\$ 15,535,979.00	\$ 11,170,671	\$ 228,372.41	\$ 8,595,344.85

4. Problems Encountered: Issues and Proposed Actions

- There were no significant issues in this period.

5. Upcoming Activities

CREA has the following activities planned for October 2011:

- CREA staff will participate in a quantitative methods training to design a new M&E tool to use in support of program initiatives.
- Continuation activities will begin under the program extension to support ongoing initiatives:
 - Strategic meetings will be held to establish mechanisms and negotiations with local partners to further distribute products developed under SJO083.
 - Testing and preparations to take place in October to launch the product developed under SJO084.
 - A new product based on SJO079 activities will be finalized in October during a strategic planning session to establish a work plan for a follow-on grant.
 - Coordination sessions will be held among stakeholders involved in SJO092 to create new products under the initiative.